



LONDON FIRE BRIGADE

Report title

Facilities Management Compliance and Audit Provision

Report to

Corporate Services DB
Commissioner's Board
Deputy Mayor's Fire and Resilience Board

Date

31 March 2020
8 April 2020
22 April 2020

Report by

Assistant Director, Property

Report number

LFC-0343x
FRB-121

Protective marking: **OFFICIAL**

Publication status: Published with redactions

Summary

This report recommends a contract model by which LFB Property can discharge its obligations under the Health and Safety at Work etc. Act 1974 and related primary and secondary legislation. The proposed model will require the appointment of a Compliance and Audit (C&A) contract to support LFB Property in delivering a legally compliant and safe estate, with reactive works carried out under agreed schedule of rates. This contract will be managed by dedicated resources recruited to the LFB Property function to discharge the Brigades Duty Holding responsibilities.

LFB's statutory compliance inspections are conducted by the hard services contractor, and monitored against compliance under a 12-month contract with an independent consultant, who acts as LFB's competent person. This contract reaches its final expiration date 30 September 2020. The proposed new Compliance and Audit contract will cover this monitoring service, from this date, on the assumption the timeline below can be delivered.

The proposed model would also cover value for money assurance, planned preventative maintenance (PPM) assurance and access to technical expertise on a wide range of building related consultancy subject matters not currently covered by existing team members, on an 'as needed' basis. The current KBR Integrator model provides a commercial verification check on quoted works, but this will cease in line with their exit plan, latest March 2021.

This report supports the development of the LFB Target Operating Model, which will deliver these requirements on compliance and value for money validation within the Property team and wider supply chain.

Benefits

A Compliance and Audit contract is required to deliver the required estate compliance and provide the wider focus on safety, assurance and competence needed, as reported in previous reviews of the LFB Property function.

The total value of the fixed cost of the Compliance and Audit contract is estimated at £356,730 annually. The Compliance and Audit contract will be funded by the existing Property spend on related matters, under KBR. Implementing the recommendation outlined in this paper will ensure that LFB Property is resourced appropriately in order to meet its compliance obligations, delivers value for money, and aligns with London Fire Commissioner's strategic objective to constantly improve the effectiveness of services.

The contract will primarily provide assurance that the delivery of technical and statutory requirements of the Property supply chain are compliant, and of the required standard, whilst also providing additional services on building condition surveys, and commercial verification of quoted works. This would be funded from the existing Property team budget, using the funding currently allocated under the KBR Integrator services, and contracted consultants.

Recommended decision

That the Assistant Director, Property has delegated authority to award a compliance and auditing contract, for a £1,837,968 whole-life value (comprised of an initial three-year term; plus inflation at 1.5%; and an option to extend for two further years).

Background – Compliance and Auditing in LFB estate

1. The proposed C&A contract seeks to ensure LFB are compliant with property related statute, and that there is sufficient commercial auditing in place to provide assurance that LFB get value for money from its supply chain.

Compliance

2. In order to achieve statutory compliance and deliver a safe working environment the following three steps would ensure LFB are legally compliant, but also be working in line with market 'best practice':
 - Following of regulations, including Health and Safety Executive (HSE) guidance and Approved Codes of Practice (ACOPs).
 - Appointment of Duty Holder(s) & Responsible Person(s) and empower them appropriately
 - Undertake independent validation / audit
3. The Health and Safety at Work etc. Act 1974 is the primary piece of legislation covering occupational health and safety in Great Britain. The Health and Safety Executive, with local authorities (and other enforcing authorities) is responsible for enforcing the Act and a number of other Acts and Statutory Instruments relevant to the working environment. These cover a wide range of subjects, including several that are relevant to LFB Property (Appendix 1). These cover the functional areas listed below:
 - Asbestos Management Plan
 - Legionella (Water Management including cooling towers)
 - Gas & Oil Systems
 - F-Gas (Refrigeration Systems)
 - Low Voltage and High Voltage Electrical Systems
 - Fixed Wire Testing
 - Pressure Systems
 - Fire & Security Systems

- Lifting Systems (LOLER) (Property related only)
4. Guidance is issued by the Health and Safety Executive (HSE). Following the guidance is not compulsory (unless specifically stated), and organisations are free to take other action, however if organisations do follow the guidance they will normally be doing enough to comply with the law. Health and safety inspectors seek to secure compliance with the law and may refer to this guidance. They have the authority to close premises if compliance is not demonstrated, thus as a minimum, it is recommended that LFB follow and comply with the HSE guidance.
 5. Responsibility for compliance in an organisation rests with LFC, as the employer. It is an important element of the statutory obligations to evidence compliance. This includes, as a minimum, the following activities relating to Property only :
 - Regular statutory certification of service reports, inspections and reviews of essential maintained to gas, electrical and water systems and equipment.
 - Review received statutory certification, validity, competency, track corrective works and where required, re-certification.
 - Regular on site audits (rolling programme) to include site records, the premises logbook, previous completed corrective works and previous completed planned preventative maintenance.
 - Supplier audits to determine the competence of external contractor operatives, their accreditations and safe systems of work.
 6. LFB currently has an appointed consultant, Quintain FM, who are under contract to carry out all statutory compliance checks and monitoring activities on behalf of Property, as a competent person. This includes the receipt and validation of inspection and service certificates; monthly reporting on supplier compliance, performance and competency; support to on-site audit programme; assistance to tender documentation on specialist services such as fixed wire electrical testing, and water hygiene.

Quote checking in Property

7. The current KBR integrator contract provides for a service of commercial verification – where quotations under reactive works are validated. The general threshold that is applied is :
 - 100% of quotes > £1k in value
 - 10% of quotes < £1k in value
 - 5% of invoiced works, selected at random
8. These are reviewed and reported monthly by KBR, and tracked in terms of compliance to quote, and value savings generated where quotes rejected and revised. In 2019 there were c.1, 800 quotes checked (avg-150 pmth), of which 20-40% were rejected and/or challenged mostly based on incorrect rates being used. Whilst this process provides confirmation that there is a check process on contractors pricing, and that Property ensure the correct adoption of rates, it should be noted that the cost of this service from KBR is significant and the net savings are negligible, if even negative i.e. the service cost is greater than the 'cost avoidance' value reported below. A three-year view shown below:

	Number referred	Number Approved	Number Rejected	% of Rejected	Total Cost Avoidance Value - Quotes	Commercial verification Qty	Invoice Value	Saving at Commercial Verification	Qty of Quotes over £10K cancelled	% Savings on Commercial Verification
2017	790	491	299	38%	£25,576	1,148	£478,346	£2,758	16	0.6%
2018	1,484	1,195	289	19%	£32,223	2,511	£403,334	£1,431	0	0.4%
2019	1,794	1,196	573	32%	£96,701	2,478	£769,030	£4,801	3	0.6%
3 Year view					£154,500			£8,990		

9. Condition surveys are not part of the KBR Integrator model, and historically have been tendered and instructed as an independent, bi-annual activity for 100% of the estate, via an external consultancy. This survey period would typically last 3 months, and all LFB buildings would be visited, with a final report delivered as the output. The last survey was conducted December 2017, with the latest due on or around December 2019 now overdue, due to the forecasted changes within the Property team. Historically, these surveys, due to their stand-alone tendered activity, have given a mixed response in terms of quality of information and completeness. There is logic in including this service with an incumbent provider, and so ensure there is leverage in terms of performance, output, quality of information, and plan for rectification.
10. The C&A contract would require the output of all condition surveys to be loaded into the Helpdesk, or central CAFM system, or any system operated by the fabric and/or hard services provider, and thus create link between business operations, planned maintenance activities, and a forward plan for asset management and replacement.

Policies and Procedures

11. There are a number of policies and procedures that are currently identified as owned by Property, as shown in Appendix 2. This is not necessarily an exhaustive list, but is a list of identifiable Property related policies. These are typically generated in response to a legal requirement to manage a specific risk e.g. Asbestos Management; Control of Legionella in water systems; Safe working for contractors on site etc.
12. The key requirement for Property is (a) that they are relevant and accurate in order to control the risk they are managing, and (b) that the we are compliant with the policy. Whilst these are documented, and reviewed periodically, it would appear that many need reviewing due to the changing organisational structure of the Property team and roles.
13. The proposed Compliance and Audit contract will allow for a range of Variable Technical services, which will support policy making and compliance e.g. asbestos management, fixed wire electrical testing etc.

Proposed model – Outline Benefits

14. To provide the required level of audit a new C&A contract is proposed. Whilst the core objective of this appointment is compliance with statutory obligations, the overall remit will be broader, and include:
 - Compliance: To support the Authority in ensuring that the estate remains compliant with all relevant health and safety, legal and departmental regulations and policies at all times.
 - Value for Money and Affordability: To ensure all (untendered) reactive works provide value and in line with market rates and/or pre-agreed schedule of rates, by checking and validating quotes over an agreed threshold. This underpins the proposed Hard Services delivery model which seeks to bundle services together.
 - Building Condition Surveys: To provide building condition surveys, of 50% of the estate on an annual rolling annual, to maintain the historic practice of bi-annual surveys. These

building condition surveys would provide planning and budget information for the Property team's Forward Maintenance Register, whilst also ensuring the surveys are conducted by the party already monitoring and reporting elements of maintenance.

- Technical Site Audits: A monthly rolling programme of site inspections, where 100% of estate is visited annually (c. 8 per month), to ensure asset maintenance, compliance and standards are met, and provides a validation of the FM Hard Services contractor provision.
- High Quality Technical Support: To increase the capacity and capability of the internal Property team through (call off) access to appropriately skilled, experienced and qualified technical and assurance professionals. Ad hoc support paid for on pre-agreed call off schedule of rates.
- Innovation & Continuous Improvement: To proactively work with the internal Property team to offer advice and demonstrate new and innovative ways of delivering the FM operating model, eliminating inefficiencies throughout the term of the Contract.

15. These duties inform the service standards and specifications, which will form part of the C&A appointment and contract terms and is reflective of these activities stated above.

Budget for Service

16. The current property spend on related matters is as follows:

- KBR - £281,325
- Condition surveys - £80,000 the funding for the bi-annual condition surveys was historically funded under the Revenue budget. These would now be included in the C&A budget.

17. The estimated fixed cost of the contracts of £356,730 will be offset against the above existing contracted spend. This would allow for the remainder of the KBR Integrator management fees to be used for any Variable Call Off Services identified (as per matrix below), and the planned new CAFM solution.

18. The proposed C&A contract is assumed to commence during Q2 2020/21. The existing Quintain contract expires in Q2. This could create a possible overspend on the LFB Property revenue budget in this period, as the KBR funding from demobilisation will be required for both the recommendations in this paper and the FM change team (see the FM Strategy paper).

A&M Contract - Core Items (Minimum Service)

Fixed Core Services		Resource (FTE)	Level of expertise required	£ pcm	£ annual
Compliance Monitoring	Review and monitor 100% Statutory Compliance works, checking and approving standards met, and flagging areas of non-compliance. These will be managed through to completion. Monthly reporting of statutory compliance and issues.	1 FTE	Tech Expert Consultants (£400 per day)	£8,640	£103,680
Technical Site Audits	8-9 Site Audits per month / 102 per year for 100% compliance. Audits to ensure technical performance reviewed, issues logged, escalated and resolved with our FM provider. To include station log book review.	1 FTE	Tech Expert Consultants (£400 per day)	£8,640	£103,680
Commercial Audit on Quotations	Commercial verification and value for money checks on quotes and invoices, against schedule of rates	0.5 FTE	Tech Expert Consultants (£400 per day)	£4,320	£51,840
Condition surveys	Bi-annual activity @ £1k per report/building				£51,000
Supplier Monthly Self-Reporting (& Meeting Attendance)	Each month, the A&M Provider will report on performance and attend three meetings. One with LFB and one with Authority and the FM Provider and one with the FM CAFM provider				
Management Fee	Assumed 15% management fee (profit) applied				£46,530
					£356,730

Variable Call Out Services (as required)	Description	Level of expertise required	Day Rate (Est.)
Technical Performance advice	Provision of technical advice on fabric, M&E, Maintenance or design matters	Tech Expert Consultants	
Contract Risk Reports	Ad-hoc reviews of poor KPIs. Root cause investigation to identify reasons for poor performance, highlight risks if issues are not resolved, and provision of options for solutions.	Tech Expert Consultants	
Security Clearance Status Reports	The Supplier may be required to conduct a review of some or all of the FM Provider's staff and FM Provider's subcontractors and to ensure all relevant staff have completed the required security clearances, and shall produce a report detailing the findings	Tech Expert Consultants	
Beyond Economic Repair Report	When instructed, the Supplier shall provide assistance to the Authority in analysing assets reported by the FM Provider as BER to determine whether or not the asset is BER	Tech Expert Consultants	
Project Management Support – Ad-hoc Service	The Supplier shall provide competent and experienced project management expertise to manage and deliver projects where required	Tech Expert Consultants	
Payment Disputes Resolution	The Supplier shall provide intermediary advice on payment disputes between the FM Provider and the Authority	Tech Expert Consultants	
Asset Verification	An activity to count the items within the estate. Required FTE is currently unknown's. This task will be conducted a Desk-Based basis for the vast majority of sites.	Tech Expert Consultants (£65 hour)	
User Satisfaction Survey	The Supplier may be required to undertake User Satisfaction Surveys to assist the Authority, with subsequent reporting of the findings	Admin Rate	

Procurement

19. The identified relevant CCS Framework has Lot size of only 5 suppliers, 1 of which is very construction biased, and at least one other who are very large organisations. There is a risk that the procurement exercise does not provide the breadth of choice and options of consultants in this sector, or that the contract value is not significant for some to want to offer a tender response, thus reducing the pool of responders.
20. A check of the available collaborative options across the GLA will be completed to identify if an appropriate route to market exists. If a suitable option that matches the unique requirements of LFB does not exist, the opportunity will be advertised in accordance with the Public Contract Regulations, with the expected route to market being an open tender via OJEU. Early engagement with suppliers in the market will be carried out which will help to ensure sufficient responses are received to provide good competition. The specification has been drafted to reflect the outcomes required by LFB. The evaluation criteria will include appropriate details which will help to identify a successful bidder who is the best fit for LFB.
21. It is anticipated that the initial contract term that will be awarded will be for 3 years, with the option to extend by up to 2 years. The outline contract specification is attached in Appendix 3.

The cost assumptions have been based on rates currently charged under the KBR integrator model, and in comparison with market rates.

Outline Programme

22. The KBR integrator model has been extended until Mar 2021, and the commercial validation service that they provide could continue until this time, if the C&A contract was not fully mobilised.
23. Quintain FM are contracted until 30 June 2020, and will be extended for 3 months, allowing audit and monitoring until 30 September to be in place pending the C&A procurement activity.
24. The timeline for the outlined activities is as follows :

Compliance and Auditing - Programme												
	2020	2020	2020	2020	2020	2020	2020	2020	2020	2021	2021	2021
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
	Mth 1	Mth 2	Mth 3	Mth 4	Mth 5	Mth 6	Mth 7	Mth 8	Mth 9	Mth 10	Mth 11	
Paper approval - Roles & C&A												
Technical Roles recruitment												
Recruitment process - Tech roles												
Compliance & Auditing Services												
Specs, and tender docs for C&A services												
Tender Process for C&A services												
Mobilisation of C&A contract												
Quintain contract expires												
KBR Integrator Model exit												

Risk and Dependencies

25. Whilst a key dependency in the C&A contract being mobilised and managed correctly, is the recruitment of new Technical Services roles, the service can be mobilised and operated in parallel, and is not fully dependant on these being in place.
26. The major risks are outlined below:

Risk	Mitigation
A new vendor is appointed, but will take a period of time to mobilise and take on the role left by KBR exiting.	The procurement exercise to select a provider has realistic timelines for procurement and mobilisation. KBR to be retained during the handover process.
A new vendor is appointed, but may not be mobilised prior to Quintain expiry.	The new technical roles could provide support as competent persons, or interim resource sought.
The C&A contract, scope and quotation validation process is not defined or in place ahead of soft Services bundle being mobilised.	Ensure Soft Services bundle tender process has sufficient clauses and scope to notify bidders, or successful party that A&M services will be introduced, and the approx. guidelines.
FM team and Stakeholders may not be fully/properly engaged	FM team to actively drive specification content via workshops and 121s Stakeholder engagement strategy to be developed Workshops scheduled to ensure that Stakeholders are properly engaged
The model may cost more than has been budgeted/currently provided under KBR integrator model.	Regular engagement with Finance representative, and review of scope to identify elements of service to suspend/remove.
A lack of market interest in the tender activity, and/or a suitable framework that attracts the correct size and type of C&A service provider suited for LFB's scope and budget.	Clear specifications of requirements at the start of the procurement process and a tender selection process which identifies suitable bidders, in a compliant procurement process. Regular contact with Procurement, & monitoring progress through the bid process.

Finance comments

27. This report recommends that delegated authority is agreed to award a compliance and auditing contract. The contract is for a three year term, with an option to extend for a further two years, for a total cost of up to £1,837,968 including 1.5% inflation applied year on year over that period.
28. The contract is estimated to cost £357k annually. This will be funded through the cancellation of current expenditure related to this capability by KBR of £281k and condition surveys of £80k. Any overlap in provision is expected to be short and will be contained within existing resources.

Workforce comments

29. The workforce implications of the provision of the revised FM model supports a positive outcome for staff as benefits will be realised by a safer and improved place to work with more effective service provision. Property Services staff are engaged in the development of the Target Operating Model (TOM), and will be fully involved in the design of the new structure for the LFB property function as this unfolds in the coming months.
30. The recognised trade unions which collectively represent Property Services staff (GMB and UNISON) are being kept informed of developments within the Joint Committee for FRS staff (JCFRS), and will be fully consulted with regards to the revised Property organisation structure

and ways of working in the coming months. In the meantime it is proposed that after Corporate Services Directorate Board this report is sent to GMB and UNISON (redacted as necessary in respect of commercially sensitive information) in the event the trade unions have comments on the report which they wish to be reported to Commissioner's Board

General Counsel Comments

31. Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "Commissioner") is established as a corporation sole with the Mayor appointing the occupant of that office. Under section 327D of the GLA Act 1999, as amended by the Policing and Crime Act 2017, the Mayor may issue to the Commissioner specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.
32. By direction dated 1 April 2018, the Mayor set out those matters, for which the Commissioner would require the prior approval of either the Mayor or the Deputy Mayor for Fire and Resilience (the "Deputy Mayor").
33. Paragraph (b) of Part 2 of the said direction requires the Commissioner to seek the prior approval of the Deputy Mayor before "[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices..."
34. The statutory basis for the actions proposed in this report is provided by sections 7 and 5A of the Fire and Rescue Services Act 2004 ("FRSA 2004"). Section 7 (2)(a) FRSA 2004 the Commissioner has the power to secure the provision of personnel, services and equipment necessary to efficiently meet all normal requirements for firefighting and section 5A allows the Commissioner to procure personnel, services and equipment they consider appropriate for purposes incidental or indirectly incidental to their functional purposes.
35. General Counsel also notes that the proposed service will be procured in compliance with the Public Contracts Regulations 2015 and the Commissioner's Scheme of Governance.

Sustainability implications

36. The project will be administered in accordance with the authority's sustainability policies.

Equalities implications

37. The Public Sector Equality Duty applies to the London Fire Commissioner when they make decisions. The duty requires them to have regard to the need to:
 - a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful.
 - b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - c) Foster good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.

38. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
39. The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse effect on any persons with a particular characteristic.

Appendix 1: Statutory Instruments

Name of Regulation	Year	S.I. no.	Regulation Status:
Health and Safety at Work etc Act 1974 (Civil Liability) (Exceptions) Regulations 2013 (S.I. 2013/1667)[126]	2013	1667	Administrative
Lifting Operations and Lifting Equipment Regulations 1998 (S.I. 1998/2307)[144]	1998	2307	Substantive
Management of Health and Safety at Work and Fire Precautions (Workplace) (Amendment) Regulations 2003 (S.I. 2003/2457)[148]	2003	2457	Administrative
Management of Health and Safety at Work Regulations 1999 (S.I. 1999/3242)[150]	1999	3242	Substantive
Manual Handling Operations Regulations 1992 (S.I. 1992/2793)[152]	1992	2793	Substantive
Notification of Cooling Towers and Evaporative Condensers Regulations 1992 (S.I.1992/2225)[156]	1992	2225	Administrative
Personal Protective Equipment at Work Regulations 1992 (S.I. 1992/2966)[172]	1992	2966	Substantive
Petroleum (Consolidation) Regulations 2014 (S.I. 2014/1637) [174]	2014	1637	Substantive
Pressure Systems Safety Regulations 2000 (S.I. 2000/128)[184]	2000	128	Substantive
Provision and Use of Work Equipment Regulations 1998 (S.I. 1998/2306)[188]	1998	2306	Substantive
Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (S.I. 2013/1471) [193]	2013	1471	Substantive
Safety Representatives and Safety Committees Regulations 1977 (S.I. 1977/500)[195]	1977	500	Substantive
Work at Height (Amendment) Regulations 2007 (S.I. 2007/114)[197]	2007	114	Administrative
Work at Height Regulations 2005 (S.I. 2005/735)[199]	2005	735	Substantive
Work in Compressed Air Regulations 1996 (S.I. 1996/1656)[201]	1996	1656	Substantive
Workplace (Health, Safety and Welfare) Regulations 1992 (S.I. 1992/3004)[203]	1992	3004	Substantive

Name of Regulation	Year	S.I. no.	Regulation Status:
Confined Spaces Regulations 1997 (S.I. 1997/1713)[31]	1997	1713	Substantive
Construction (Design and Management) Regulations 2015 (S.I. 2015/51)[33]	2015	320	Substantive
Control of Asbestos Regulations 2012 (S.I. 2012/632)[37]	2012	632	Substantive
Control of Noise at Work Regulations 2005 (S.I. 2005/1643)[45]	2005	1643	Substantive
Control of Substances Hazardous to Health (Amendment) Regulations 2003 (S.I. 2003/978)[47]	2003	978	Administrative
Control of Substances Hazardous to Health (Amendment) Regulations 2004 (S.I. 2004/3386)[49]	2004	3386	Administrative
Control of Substances Hazardous to Health Regulations 2002 (S.I. 2002/2677)[51]	2002	2677	Substantive
Control of Vibration at Work Regulations 2005 (S.I. 2005/1093)[53]	2005	1093	Substantive
Electricity at Work Regulations 1989 (S.I. 1989/635)[63]	1989	635	Substantive
Employers' Health and Safety Policy Statements (Exception) Regulations 1975 (S.I. 1975/1584)[65]	1975	1584	Administrative
Gas Safety (Installation and Use) Regulations 1998 (S.I. 1998/2451)[80]	1998	2451	Substantive
Gas Safety (Management) Regulations 1996 (S.I. 1996/551)[82]	1996	551	Substantive
Gas Safety (Rights of Entry) Regulations 1996 (S.I. 1996/2535)[84]	1996	2535	Substantive
Health and Safety (Consultation with Employees) Regulations 1996 (S.I. 1996/1513)[90]	1996	1513	Substantive
Health and Safety (Display Screen Equipment) Regulations 1992 (S.I. 1992/2792)[92]	1992	2792	Substantive
Health and Safety (Safety Signs and Signals) Regulations 1996 (S.I. 1996/341) [120]	1996	341	Substantive

Appendix 2. LFB Policies

Owned by Property

Policy Number	Document Name	Reviewed As Current
0139	Designated water lift pits	16/08/2016
0312	Portable generators	12/12/2019
0326	Automatic power operated appliance bay doors - routine weekly testing by stations	12/12/2019
0489	Premises log book	25/02/2019
0490	Person in control of LFB premises	24/04/2019
0491	Safety rules for contractors working at LFB premises	09/10/2015
0492	Safety rules for contractors working at LFB premises part 2	09/10/2015
0508	New upgrading mobile telephone base stations procedure	23/02/2017
0520	Minimising thermal discomfort during summertime conditions in LFB premises	25/10/2016
0549	Energy conservation (and sustainability) in LFB premises	15/08/2014
0647	Reporting building electrical and mechanical defects at LFB premises	01/11/2016
0694	Asbestos Management Plan for the Control of Asbestos in LFB	12/04/2019
0750	Managing vacant LFB premises	26/10/2016
0762	The control of legionella in LFB water systems	10/07/2015

Property Related – Owned by Others

0213	Control of noise at work procedure	30/07/2018
0309	Managing contractors policy and guidance	15/10/2019
0342	Dynamic risk assessment	31/08/2016
0347	Ambient noise community neighbour policy	16/03/2017
0368	Health safety and environmental event investigation policy	13/10/2015
0369	Reporting of injuries diseases and dangerous occurrences regs 2013	15/10/2019
0388	Explosive devices on authority premises (and other non-fire related emergencies)	27/04/2016
0411	Notification of contamination or possible contamination by materials that may be hazardous to health	
19/07/2013		
0463	Accident books	09/04/2019
0464	Safety signs and signals procedure	10/04/2019
0505	Safety of visitors to lfepa premises procedure	15/10/2019
0509	Fire safety on lfepa premises	17/10/2019
0510	Authority premises health safety and environment inspections	15/10/2019
0519	Incidents involving asbestos	06/12/2017
0540	Manual handling operations procedure	23/02/2013
0561	Electrical safety policy	15/10/2109
0564	Procedure for managing asbestos in lfepa premises	27/10/2014
0597	Lfepa health and safety policy	26/08/2016
0598	Provision and use of work equipment	13/09/2018
0617	Personal protective equipment at work procedure	13/09/2018
0643	Hazardous waste disposal procedure	09/03/2018
0671	Lifting operations and lifting equipment procedure	11/04/2019
0673	Risk assessment procedure	19/07/2017
0677	LFB environment policy	24/02/2017
0746	Heating of lfb premises	06/06/2017
0764	Health, safety and environmental premises audits	12/05/2016
0787	Work at height on LFB premises policy	24/01/2108
0836	Gardens policy	19/01/2017

Appendix 3 – DRAFT Service Specification for Compliance and Audit

SCHEDULE X: SERVICES – ANNEX X: THE SERVICES

PROPERTY RELATED COMPLIANCE & AUDITING SERVICES

STATEMENT OF REQUIREMENTS

1. GENERAL

1.1. The Compliance & Audit (C&A) specification is divided into five (5) key areas:

- 1.1.1. **Compliance Monitoring**
- 1.1.2. **Commercial Auditing on Quotations**
- 1.1.3. **Asset Verification & Building Surveys**
- 1.1.4. **Technical Site Auditing**
- 1.1.5. **Technical Support**

1.2. The Services set out under the five (5) key areas above are identified as either:

- 1.2.1. **Core Services;**
- 1.2.2. **Call-Off Services, or**
- 1.2.3. **Additional Services**

1.3. A **Core Service** means a service, as defined in this Statement of Requirements, that represents a core area of delivery and that is required continually throughout the contract term, notwithstanding that the requirement may be temporarily paused or reduced to make available Core Resource for other services, Core, Call-Off or Additional, which are deemed at the time to be of higher priority by the Authority.

1.4. A **Call-Off Service** means a service, as defined in this Statement of Requirements, that doesn't represent a core area of delivery and may only be required on an ad hoc basis from time to time.

1.5. An **Additional Service** means a service not specifically defined within the Statement of Requirements of this Call Off Contract, but nonetheless included within the scope of the *(STATE FRAMEWORK OR OJEU)*

1.6. Upon each Request for a Proposal (RFP) for a Call-Off Service or Additional Service by the Customer, and within xxxx (x) working days of receipt, the Supplier must provide a detailed cost breakdown and expected delivery timescale to complete the Call-Off Service requested. The Authority will advise the Supplier provider whether or not it wishes to accept the RFP within xxx (x) working days.

1.7. Service Levels are defined as:

- 1.7.1. **Minimum Service Level** – This service level represents the minimum volume of any Core service required by the Customer anticipated to be required under the Call Off Contract for the duration of its term to be employed by the Customer.
- 1.7.2. **Standard Service Level** - This service level represents the standard contracted volume of all Core Services offered by the Supplier in Call Off Schedule

1.8. The level of resource required to undertake the Core Services at the Standard Service Level agreed between the Supplier and the Customer shall constitute the Fixed element of the C&A service. The service levels will effectively provide the Customer with the ability to switch to a reduced level of service, for whatever reason if and when required, without any risk to the operational or commercial stability of the of the contract.

1.9. Call-Off and Additional Services shall be delivered by the Supplier on an ad hoc basis, as requested by the Customer, and, if Core Services resource is not being diverted in order to undertake these requests, Call-Off/Additional Services resource may be required to deliver them. This shall constitute the Variable element of the C&A service.

1.10. **The Services Summary Table at Appendix A** sets out the key C&A service requirements, reports and service level information.

1.11. The Supplier shall provide a flexible and proactive approach to the delivery of the services and any changes in service requirements (location and scope) which recognises the environment in which the Customer operates.

1.12. The Supplier shall ensure that all visits undertaken shall be arranged in advance and to ensure that the building users are inconvenienced as little as possible during any of the services.

1.13. Value for Money & Continuous Improvement

1.13.1. The Supplier shall actively offer advice and demonstrate innovative ways of delivering the services and eliminating inefficiencies throughout the term of the contract including new ways of working. This shall include regular reviews of service delivery methods to eliminate inefficiencies, introduce innovation, realise cost savings and improve Value for Money. This shall be achieved at no detriment to the quality of service delivered.

1.13.2. Provide advice on improvements to ancillary interface services outside its direct control and deliver proposals for interfacing with third parties in the most efficient manner possible.

- 1.13.3. At all times seek to optimise its staffing arrangements to take advantage of any synergies between other Services delivered at each Affected Property, therefore demonstrating Value for Money to the Employer provided this shall not detract from the performance of any of the individual Services themselves.

1. COMPLIANCE MONITORING

1.1. Statutory Planned Preventative Maintenance (PPM) Audits – Core Service

- 1.1.1. The Supplier is required to conduct a desk-based audit of the Statutory PPM tasks conducted by the FM Supplier from the month preceding, validating that statutory compliance and planned preventative maintenance activities have taken place and that documentation is present.
- 1.1.2. This action will require a review of the systems of the FM Supplier to ensure all relevant PPM documentation has been uploaded in a timely fashion, completed to a satisfactory standard and any follow up actions or notes are clearly detailed and logged for remedial works.
- 1.1.3. The Supplier will review and confirm that the documentation is correctly completed, and reject where it deems they do not meet the minimum standards required. This will require the Supplier to then ensure the corrective action is not only identified, but also taken in a timely fashion.
- 1.1.4. The Supplier will be responsible for approving any works under Statutory PPM forms part of the approval to pay the FM supplier, and where it deems the standard of the PPM works to be under question, to not authorise for payment.
- 1.1.5. Issues that are identified during the Statutory PPM Audit are to be highlighted to the FM Supplier and resolved jointly with them through to close out. The findings are to be highlighted via the monthly Statutory PPM Audit Report, presented to the Customer.

2. COMMERCIAL AUDITING ON QUOTATIONS

2.1. Quotation Audits – Core Service

- 2.1.1. The Supplier shall review works quotations provided to the Customer by the FM Supplier to validate that these represent value for money, when compared with quotations sought through the open market, but also are as per any pre-agreed Schedule of Rates that may be in place for the services quoted.
- 2.1.2. The Supplier will analyse [*Suppliers proposed Standard Service Level (Baseline Standard Service Level = xxxx(xx)*] quotations per calendar month and the analysis will be completed within two working days of raising the request with the Supplier.
- 2.1.3. It should be noted that:
 - 2.1.3.1. All quotations will exceed £XXXk.

- 2.1.3.2. The threshold will be reviewed on a continual basis and any changes required to the thresholds will prompt a review of the quotation verification charges between the Supplier and the Customer.
- 2.1.3.3. If less than the agreed Standard Service Level of requests per month are issued, the Supplier will note the amounts audited within the monthly report. This will form part of the review process in x.x.x.x above.
- 2.1.3.4. Similarly, if more than the agreed number of requests per week are issued, the Customer will reduce the requests such that the number reflects the number in the Specification.
- 2.1.4. The task is to validate that the FM Supplier has invoiced accurately and has provided Value for Money in areas such as material costs, correct labour rates and time taken to conduct the task. The Supplier will confirm that all documentation required to "close down the task" is held on the FM Supplier's CAFM system.

The Supplier shall submit their findings in a **Quotation Audit Report** to the Customer monthly in an agreed format, and will track disputed invoices to resolution and work with the FM Supplier and any of its sub-contractors, as appropriate, to resolve payment issues.

3. BUILDING CONDITION SURVEYS

3.1. Building Condition Surveys – Core Service

- 3.1.1. The supplier will be required to support and carry out a rolling annual building condition survey.
- 3.1.2. The supplier will produce a formal report, as directed by the Customer, with findings and recommendations as a result of the building condition surveys, and ensure that this process feeds into a customer owner forward maintenance register.

4. TECHNICAL SITE AUDITING

4.1. Site Audits - Core Service

- 4.1.1. The Supplier shall undertake Technical Site Audits structured on a process of collecting independent information on the efficiency, effectiveness and reliability of the total health and safety management system, and drawing plans for corrective action.
- 4.1.2. The Supplier is required to complete [*Suppliers proposed Standard Service Level (Baseline Standard Service Level = xxxx (xx))*] Technical Site Audits per month (xxxx (x) per region), as notified by the Customer, seeking coverage across the whole in-scope estate.
- 4.1.3. The Technical Site Audits must be conducted by a suitably trained and competent person with technical knowledge and expertise in the disciplines documented in paragraph 5.2.
- 4.1.4. Prior to conducting any Technical Site Audit, the auditor will have reviewed the FM Supplier's CAFM system to obtain relevant information from previous reports and other data that may assist the Site Audit.

- 4.1.5. The Technical Site Audits will require site attendance in all instances to review site documentation held by the FM Supplier.

Reporting the Technical Site Audit:

- 4.1.6. Upon completion of a Technical Site Audit, the Supplier will produce a full and comprehensive report within xxxx (x) days (unless otherwise approved by the Customer). The reports must detail and reflect the agreed level of detail agreed with the Customer prior to commencement using recognised terminology and wording. The format of the reporting template will be agreed between the Supplier and Customer.
- 4.1.7. The report will be sent to a designated person(s) within the Customer for review.
- 4.1.8. Any clarification questions raised by the Customer following the review of the Technical Site Audit must be answered promptly within xxx (x) working days.

Actions arising from the Technical Site Audit:

- 4.1.9. The Supplier shall be responsible for owning and resolving any actions and requirements arising from the Technical Site Audit and ensuring they are accepted and resolved by the FM Supplier in a timely fashion.
- 4.1.10. It will be the duty of the Supplier to resolve any technical specification questions or issues with the FM Supplier. The Customer will support and assist, where required.
- 4.1.11. The Supplier will highlight and report on any deficiencies identified by each Technical Site Audit and will report on the progress of any remedial close out actions monthly.
- 4.1.12. The **Technical Site Audit Reports** and the findings will be discussed at the national Monthly Contract Performance Review (CPR) and national Monthly Technical Review (MTR).

4.2. Flexible Technical Resource – Core Service

- 4.2.1. The Supplier shall provide [*Suppliers proposed Standard Service Level (Baseline Standard Service Level = xx hours)*] per calendar month of desk-based and in-person Flexible Technical Resource to assist the Customer's FM Technical Team across all xxxxx (x) regions within the in-scope estate. The hours will be utilised during Core Business Hours.
- 4.2.2. The activities required to be delivered by this resource will be advised by the Customer's FM Technical Team xxxx (x) weeks in advance to ensure that the Supplier is able to provide the required resource, although the Customer reserves the right to make reasonable changes to these activities within the x-week period.
- 4.2.3. The Flexible Technical Resource will be required to provide expertise in the disciplines listed in paragraph 5.2 above.
- 4.2.4. The Supplier shall have multiple staff available, if required, with the necessary skills and expertise, such that issues occurring on multiple sites can be addressed quickly and simultaneously.
- 4.2.5. The Customer will require flexibility such that the hours allocated to a calendar month may be used in a single week, although this will generally be avoided where possible.

- 4.2.6. The Customer shall be able to carry unused hours over to a new calendar month.
- 4.2.7. The Customer requires the Flexible Technical Resource to:
 - 4.2.7.1. Provide evidence-based solutions for feasibility and scoping documents;
 - 4.2.7.2. Ensure a cost and benefits analysis is applied to decision making;
 - 4.2.7.3. Consider the forward maintenance costs and PPM requirements out of scope from SFG20.
- 4.2.8. The Supplier shall ensure that the Flexible Technical Resource reports findings to the FM Technical Team within xxx (x) working days of task order receipt. Issues of a serious nature shall be escalated to the Customer's FM Technical Team immediately.
- 4.2.9. Each month, the Supplier will provide the Customer with a detailed **Flexible Technical Resource Report** detailing the following information:
 - 4.2.9.1. Assigned tasks
 - 4.2.9.2. Length of assigned tasks and hours allocated
 - 4.2.9.3. Brief given
 - 4.2.9.4. Resource utilised for tasks, and
 - 4.2.9.5. Outputs
- 4.2.10. The Supplier will be required to provide the Customer with xxx (x) concurrent SFG20 licences for use by the FM Technical Team.

5. Technical Support - Call Off Services

- 5.1. The Supplier shall provide technical support and expertise to the Customer in support of the operational management of the FM contract, on a call off basis, as required by the Customer from time to time, and to pre-agreed rates as part of the contract.

5.2. Technical Performance Advice

Provision of advice and support could be requested by the customer across various disciplines including, but not limited to:

- 5.2.1. Mechanical
- 5.2.2. Electrical
- 5.2.3. Fire
- 5.2.4. Water
- 5.2.5. Asbestos
- 5.2.6. Lifts
- 5.2.7. Fire Risk Assessments
- 5.2.8. Equality Act Audits

- 5.2.9. Health and Safety Audits
- 5.2.10. Environment and Sustainability Reports
- 5.2.11. Technical completion audits for projects and works undertaken by FM Suppliers
- 5.2.12. Listed Building and heritage and/or conservation assurance services
- 5.2.13. Additional Building Condition Surveys
- 5.2.14. Listed Building Quadrennial Surveys
- 5.2.15. Forensic building and technical audits
- 5.2.16. Investigations in relation to service and asset failures including in relation to Health and Safety issues
- 5.2.17. Audits of Cleaning Audits

5.3. **Contract Risk Reports**

5.3.1. If requested, the Supplier shall conduct a review of the failing KPI or KPIs to identify:

- 5.3.1.1. The background and causes leading to the KPI failures and to include details of evidence to support the route cause;
- 5.3.1.2. The risks that the Customer is being exposed to if the issues are not resolved in a timely fashion, and
- 5.3.1.3. Potential solutions.

5.4. **Security Clearance Status Reports**

- 5.4.1. The Supplier to conduct a review of some or all of the FM Supplier's staff and sub-contractors relevant to the delivery of the FM contract to assure compliance to the security obligations set out within the FM contract and shall produce a bespoke report detailing the findings.
- 5.4.2. The Supplier shall obtain from the FM Supplier a list of works currently being (or due to be) delivered across the estate by the FM Supplier or the FM Supplier's sub-contractors. The Supplier shall use this list to identify the checks that it is required to undertake.

5.5. **'Beyond Economic Repair' Reports**

- 5.5.1. The explanation of the Beyond Economic Repair (BER) process is provided in **Appendix C – Beyond Economical Repair**.
- 5.5.2. When instructed, the Supplier shall provide assistance to the Customer in analysing assets reported by the FM Supplier as BER to determine whether or not the asset is BER.

5.6. **Project Management Support**

5.6.1. The Supplier shall provide competent and experienced project management expertise to manage and ensure delivery of projects, where required and in accordance with RIBA requirements, if applicable. Dependent upon the requirement, this could include projects such as (but not limited to);

- Management of end of year tasks following additional funding
- Procurement of sub-contractors to undertake minor ad hoc works

5.7. Asset Verification Audits

5.7.1. The Supplier will be required to support the Asset Verification (AV) exercise of the FM Supplier's contract.

5.7.2. The Supplier will support the Customer by providing technical support and expertise to clarify the description and number of assets and asset types, in accordance with the Uniclass 2015 asset categorisation process, to ensure that the number and type of assets in the Customer's Premises is fairly determined.

5.7.3. Following the completion of the AV exercise, the Supplier will support the Customer in discussions with the FM Supplier to agree the final asset register.

5.7.4. The supplier will work with the Customer and its FM supplier, to ensure there is a formal and agreed process to continually maintain and update the asset register, and a continual process of review and updates is in place and followed.

5.8. Payment Disputes Resolution

5.8.1. The Supplier shall provide intermediary advice on payment disputes between the FM Supplier and the Customer, to track any issues to ensure any issues do not become recurring.

5.8.2. This will require examining payments relating to the Customer and establishing a position agreeable by the Facilities Management provider and the Customer.

5.9. User Satisfaction Survey

5.9.1. The Supplier shall be required to undertake surveys as required by the Customer to obtain findings on areas such as the satisfaction of Users, services provided by Sub-Contractors or any other target audience.

5.9.2. The Supplier shall be required to undertake User Satisfaction Surveys to assist the Customer, with subsequent reporting of the findings and outcomes from the results. These surveys are to be delivered using an internet based platform that the target audience can readily access.

5.9.3. The Customer will stipulate the exact reporting requirements and level of detail that the Supplier will be expected to deliver. The Customer will advise in advance if the Supplier is required to manage the actions and next steps identified from the survey.

5.10. **Additional Services – Call-Off Services**

- 5.10.1. Throughout the duration of the contract, the Customer may require additional call-off service requirements that whilst falling within the general scope of this specification, are not specifically identified as a Call-Off Service Requirement. Such requirements shall be charged using the Flexible Technical Resource, if available. Call-Off Hourly Rates will otherwise be applied.

6. Account Management & Reporting

- 6.1.1. The Supplier shall have in place at all times an effective and responsive account management team that understands the business and key priorities of the Customer. This shall be achieved through the building of a strong and trusted relationship; sharing information and being transparent about intentions and challenges.
- 6.1.2. The Supplier and the Customer shall meet quarterly for an A&M Contract Review Meeting where the A&M Contract Performance Pack for the relevant quarter shall be reviewed and discussed. The A&M Contract Performance Pack shall contain the following:
- Business Update - High-Level Only
 - Contract Highlights + Key Achievements - High-Level Only
 - A&M Activity + KPI Summary (incl. Risk + Issues)
 - HSE Notifications + Regulation Updates
 - CPD + Staff Training Update (Toolbox Talks + Workshops)
 - Continuous Improvement.